Structural Equation Model on Work Engagement among Employees of Large Retail Enterprises in Region XII

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Abstract - The ultimate goal of this research undertaking was to identify the best fit model involving the following exogenous variables: transformational leadership, motivation, and human resource management practices to endogenous variable – work engagement. A survey questionnaire was issued to the various large retail employees in Region XII, Philippines with 425 respondents for the purpose of data collection. The research method used in the analysis was descriptive — correlation design was used to find the best fit model through structural equation modeling. The results revealed that the model presented positive relationship between transformational leadership, motivation and human resource management practices and work engagement. Nevertheless, the three established exogenous variables of transformational leadership, motivation, and human resource management practices emerged as the primary predictors of work engagement, taking into account their observed variables as depicted in the study's final and best fit model.

Keywords: management; transformational leadership; motivation; human resource management practices work engagement; structural equation model; Philippines

1. INTRODUCTION

Employees are one of the company's key resources, regardless of the business existence. According to scholars and business practitioners, one of the most troubling global economic problems today is the low level of employee engagement (Motyka, 2018)[149]. Large retail business leaders struggle because of disengaged workers to maintain profitability (Salimath & Kavitha, 2015)[175]. Numerous reports indicate a poor level of engagement among workers around the world. According to the Institute Gallup, only 15% of staff worldwide can be defined as fully engaged in their jobs, while 85% are disengaged [Gallup, 2017][83]. The causes of the growing "disengagement crisis" are the lack of employee help in producing what they view as meaningful results for themselves [Forbes, 2014][81]. Several authors have defined work engagement and common concepts related to the positive attitude towards the organization and its value. In the same way, these authors have studied the significance of work engagement in the organization. For example, the work engagement of employees has demonstrated a statistical association with efficiency, performance, retention of employees, customer satisfaction and security (Coffman & Gonzales-Molina, 2002)[60]. The study of Gopal (2014)[94] also coincides with the previously mentioned study that employee’s work engagement is a lead indicator of high tenures and efficiency. In addition, higher level of work engagement elevates the employee’s productivity, vigor, dedication and enthusiasm to perform the work (Gl.Nagel, Robinson, & Watson, 2015)[92]. Work engagement is therefore perceived to be of great importance to both workers and organisations (Littman-Obadia, Menger, Miller, Rothmann, & Steger, 2013)[131]. Transformational leadership is one of the most prevalent paradigms in contemporary literature on leadership (Judge & Piccolo 2004)[117]. It is related to several results for workers, such as well-being (Cleal & Neilsen 2011)[58] innovation (Shin & Zhou, 2003)[181], and work success (Piccolo & Colquitt, 2006)[159]. Bass (1985)[35] quoted in (Yukl, 1994)[198] argues that change leadership has an additive effect on followers to do more than originally intended by raising awareness of the value of mission results, motivating them to ignore their own self-interest for the sake of organizations or teams and triggering their higher-order needs. Aside from transformational leadership and employee’s positive work perception, another factor being considered to affect work engagement is motivation. Indeed, work motivation inspires and employees to take action in doing a job (George & Sabapathy, 2011)[88]. Not only this, but Pink (2016)[161] specifically stressed that intrinsic motivation yield several positive outcome like work engagement, positive affect, task identification, and productivity. In addition, the methods of Human Resource Management (HRM) are analyzed as to how they contribute to job commitment. One of the researchers including Delmote, De Winne, Faems, Forrier, Maes, and Sels (2003)[72] found that quality evaluation increases the efficiency and output of the employee. However, Hong, Kok and Wan (2015)[107] concluded that a merit-based performance appraisal can then improve the
motivation and engagement of the employee. Therefore, the performance evaluation of the worker impacts the quality of the company. In spite of the presented studies above, it is interestingly to pursue this study for several reasons. First, it is imperative to provide special attention on maximizing work engagement, thereupon, attaining better combination and delivery of products and services in a local setting. Second, employee satisfaction, productivity, retention, contribution and efficacy hinder organization’s success; and having identified the relationship of these factors to work engagement, It is important to study and recognize the factors that may contribute to the work engagement. Finally, the results of this study will add to the existing work engagement knowledge base and provide a better understanding of Region XII environment.

2. RESEARCH OBJECTIVE

This study determined the best fit model on work engagement among employees of large retail enterprises in Region XII.

Specifically, the following objectives were achieved in this study.

1. Assessed the level of transformational leadership among managers in large retail enterprises in terms of:
   1.1 inspirational motivation;
   1.2 individualized consideration;
   1.3 idealized influence; and
   1.4 intellectual stimulation.

2. Ascertained the level of motivation among managers in large retail enterprises in terms of:
   2.1 rewards;
   2.2 achievement and recognition; and
   2.3 performance feedback.

3. Evaluated the level of human resource management practices among employees in large retail enterprises in terms of:
   3.1 planning and recruitment;
   3.2 training program;
   3.3 compensation; and
   3.4 performance appraisal.

4. Measured the level of work engagement among employees in large retail enterprises in terms of:
   4.1 vigor;
   4.2 dedication; and
   4.3 Absorption.

5. Determined the relationship between
   5.1 transformational leadership and work engagement;
   5.2 motivation and work engagement; and
   5.3 human resource management practices and work engagement.

6. Determined the best fit model that predicts work engagement.

2.1 HYPOTHESIS

The following null hypotheses were tested at 0.05 level of significance.

1. There is no significant relationship between:
   1.1 transformational leadership and work engagement;
   1.2 motivation and work engagement; and
   1.3 human resource management practices and work engagement.

2. There is no best fit model that predicts work engagement.

3. THEORETICAL FRAMEWORK

The analysis has been focused on different theories. First is the Style Leadership, this theory says it is seldom about who the people are, but about what they are doing. This focuses on job and partnership activities (Charkhabi et al., 2014)[54]. Although characteristic and ability theories have principles that can be mixed and contrasted with each other, the leadership style theory is quite drastically different. Instead of concentrating on who leaders are or what characteristics they possess, born with, or abilities they have gained, Style Leadership focuses instead on what they really do / do. Style Leadership refers to the leadership's actions and patterns of action that contributed to their individual leadership style and how it influenced their environments. Style Leadership focuses on two main behavioral styles, job activity and relationship behaviour. Second, this study was rooted in the theory of motivation-hygiene or dual-factor theory of Frederic Herzberg. According to Herzberg, there are some work-related factors that lead to fulfillment, while other work-related factors avoid dissatisfaction. This theory categorized that "No Satisfaction" is the opposite and "No Satisfaction" is the opposite. Third, the Towers Watson Engagement Model guided this study. Towers Watson's research has shown that "three measurable elements for sustainable engagement are essential. First, conventional interaction with employees 'willingness to spend discretionary time on their job; second, enabling them to do their job effectively with the tools, resources and support (usually by direct supervisors); and finally, commitment with a working environment that actively promotes physical, emotional and relational well-being (Watson, 2014)[195].

4. CONCEPTUAL FRAMEWORK

The hypothesized model consists of two types of latent structures: exogenous and endogenous variables as shown in figures 1. Unobserved variables are called latent variables, factors or constructs in Structural Equation Modeling (SEM). A latent variable or factor is determined indirectly by one or more measurable variables of indicators representing or defining the factor. As with path analysis, in the Structural Equation Model, independent and dependent variables are called
Exogenous and endogenous variables. Exogenous variables are the variables that affect the other variables and are not influenced by other variables in the model; endogenous variables are the variables that are affected by the model's exogenous and other endogenous variables. It is possible to observe exogenous and endogenous variables or are latent variables. Nevertheless, apart from the latent and observed variables, the residual error terms associated with each of these are also a critical part of the overall model and are represented with e or error. The double headed arrows reflect the interrelationship or association between variables, while the single headed arrow reflects a causal or direct relationship between latent endogenous variables, latent exogenous variables, and measured variables.

The first exogenous factor is transition leadership assessed by four indicators: inspirational motivation, individualized consideration, idealized influence, and intellectual stimulation. Inspirational motivation involves a leader's desire for followers to achieve goals by presenting the goals in an enticing and compensating way that motivates workers (Bass, 1996). Individualized consideration is the inclusion of people into the transformation process of an organization (Simic, 1998; Conger, 2014). Idealized influence refers to the idea that followers trust and admire leaders to provide support and resources (Chu & Liu, 2017). By intellectual stimulation, transformational leaders inspire followers to challenge their own views, perceptions, and principles, and, where appropriate, those of the leader, which may be obsolete or inadequate for solving current problems (Elkins & Keller, 2013). Consequently, the second exogenous variable is motivation. According to Wanjihia (2016) motivation has three indicators namely: reward, achievement and recognition and performance appraisal and feedback. Rewarding a day in the form of money is the most prevalent of the reward system of an organization. This may take the form of wages, incentives and bonuses (Luthans, 2011). Achievement and recognition are motivational factors and are related to task that is being performed based on Psychologist Frederick Herzberg's content theory known as Herzberg's Two Factor Theory/motivation-hygiene theory (Robbins &
Performance reviews and feedback are aimed at providing performance input to workers, identifying their developmental needs, deciding on their rewards, promotion and termination, and also developing information on the organization's selection and placement decisions (Quick & Nelson (2013)[164]. Finally, the third exogenous variable is human resource management practices and it has four observed indicators namely: planning and recruitment, training program, compensation and performance appraisal. It is a method of advertising the vacancies or openings of any esteemed ability (openings) in the most desirable and valid manner, with the sole aim of attracting the maximum pool of eligible candidates (Khanna, 2014)[122]. Training program aims to improve their current job quality and trains them for an anticipated career (Kumar, 2013)[127] Compensation was paired with efficiency and performance as a motivation (Ashraf, Ghafoor, & Shaukat, 2015)[20]. If financial rewards are directly linked to their results, workers are inspired (Altarawmneh & Al-Kilani, 2010).[11] Quality evaluation of a fundamental data provider for decision making that leads to better quality and organization (Guerra-Lopez, 2008). The latent endogenous variable is work engagement. It has three observed indicators namely: vigor, dedication and absorption. Vigor refers to strength, mental resilience, commitment, and constant labor effort expenditure (Rayton and Yalabik, 2014)[168]. Vigor is one of the working engagement aspects which requires high levels of energy and mental resilience while working. There is also a strong interest in the actual work, along with high commitment rates even when met with difficulties. Dedication is the derivation of an individual's sense of meaning from work, feeling excited and proud of the job, and feeling inspired and challenged by the job (Song et al., 2012). The last aspect, absorption, refers to a sense of detachment from your life, a high degree of focus on your job, and a general lack of awareness of the amount of time spent at work (Rayton & Yalabik, 2014)[168]. Hypothesized model 1 as shown in Figure 1 represents the latent exogenous' direct relationship to the latent endogenous variables. This is demonstrated by the single headed arrow linked by transformational leadership, motivation, and human resource management practices pointing to the work engagement in large retail companies. In addition, the rectangular shapes reflect the variables of measurement of the respective latent exogenous and endogenous variables.

5. SIGNIFICANCE OF THE STUDY

The study results can be helpful to the management of selected large retail enterprises in Region XII as it will provide them with data on the level of employee work engagement and the factors affecting their work engagement. Through recognizing the factors that affect employee work engagement, management can plan, design and implement programs that can improve employee work engagement. In turn, management can use the results of this study to resolve some of the organization’s current problems in terms of leadership styles, motivation, and strategies in managing human resources. This work would provide insights into the Department of Trade and Industry (DTI) in terms of social values. As the mandated government agency is tasked as the main economic driver facilitating creative, efficient, job-generating, inclusive business and empowering customers, the study results will give them a clear picture of the degree of work engagement of the employees of the region’s large retail companies. We can, thus, use it as the basis for the creation of initiatives to enhance employee participation. Since workers are strongly believed to be one of the key factors in achieving the organization's goal. The study results can also give importance to the workers and the owner of the region's large retail enterprises. Often employees are embraced by their duties or functions in which other functions are left behind. Consequently, the study results can provide workers with data on the degree of their work engagement in terms of vigor, dedication and absorption. However, this does not only provide the degree of job commitment, but also to analyze their own work commitments and how they can extend their commitments with positive and appropriate performance. Likewise, the study results can be of assistance to the various human resources officers and practitioners. They should execute major events that can improve employee engagement. And eventually, they can use this analysis as a basis for future researchers who would like to pursue studies on related concepts.

6. DEFINITION OF TERMS

The following key words were described operationally in order to provide a clear understanding of the study. Transformational Leadership refers to leadership approach that causes people and the social system to change. With the end goals of transforming followers into leaders in terms of inspirational motivation, individualized consideration, idealized influence and intellectual stimulation. Motivation is a driving force that will encourage the worker to work for their level of efficiency, a well-motivated employee would perform better than the other workers, and a method of encouraging people to take action to achieve goals in terms of rewards, achievement and recognition, and performance feedback. Human Resource Management Practices refers to policies, techniques, and structures that impact the actions, attitudes, and efficiency of employees in terms of planning and recruitment, training program, compensation and performance appraisal. Work engagement refers to the employee's attitude toward his or her work in terms of vigor, dedication and absorption.
7. METHOD

This chapter covers the research design, research locale, population and sample, research instrument, data collection, and statistical tools that will analyse the data gathered.

7.1 RESEARCH DESIGN

This study used a quantitative research method to produce the best-fit model using the technique of descriptive-correlation and structural equation model. Descriptive-correlation study was used to explain the phenomenon of the subject and to express the current factors, conditions and attributes (Abbott & McKinney, 2013)[1]. In addition, this type of research is concerned with how or what happens in relation to certain previous events that have shaped or affected a present condition or occurrence (Johnson, 2004). Specifically, this study used a correlational research method as the analysis aims to develop the relationship between transformational leadership, motivation, and human resource management practices to work engagement among employees of large retail companies in Region XII. The study utilized structural equation modelling which is a complex method of data analysis as compared to other statistical method. It is a mathematical tool used for delineating causal conclusions from a fusion of observational data and theoretical assumptions (Bhatta, Barua, & Rangnekar, 2017). Structural equation modelling determined the interrelationship between the model variables. With the help of structural equation modelling, interrelationships among latent and observed variables were reflected in a model and determined. Structural equation is carried out in a series of steps. First, a model needs to be delineated. This is the step of model specification. Second, model identification, followed by model estimation. And lastly, model testing and if the model is never good enough to pass all the parameters, the model should be adopted and the above steps will be followed (Hassan 2012)[103].

7.2 RESEARCH LOCALE

This study was conducted in nine large retail enterprises in Region XII, mainly in Cotabato City, Isulan, Sultan Kudarat, Tacurong City and Koronadal City. South Central Mindanao is located in the SOCCSKSARGEN or Region XII. It is made up of four provinces: South Cotabato, Cotabato, Sultan Kudarat and Sarangani and five municipalities: General Santos, Cotabato, Koronadal, Tacurong and Kidapawan. The regional center is in Koronadal located in the province of South Cotabato, and the center of commerce and industry is General Santos, which is the most populous city in the Region.

7.3 POPULATION AND SAMPLE

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<tr>
<th>Range of Means</th>
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<th>Interpretation</th>
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<td>4.20 – 5.00</td>
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The survey on motivation was adapted from the study Wanjihia (2016)[194]. The instrument was designed to measure the motivation as perceived by the employees of the large retail enterprises with three indicators namely: reward, achievement and recognition, and performance appraisal and feedback.

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The survey on human resource management practices was adapted from the study of AlShaikly (2017)[9]. The instrument was intended to measure the human resource management practices as perceived by the employees of the large retail enterprises on the four factors namely: planning and recruitment, training program, compensation and performance appraisal.

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The survey on the employees work engagement of the employees of large retail enterprises was adapted from the study of Deligero and Laguador (2014)[71]. The instrument was designed to measure the employees work engagement as perceived by the employees on the three indicators namely: vigor, dedication and absorption.

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#### 7.5 DATA COLLECTION

Several procedures were carried out in collecting the data in this study. The first procedure was the acquisition of consent to administer the conduct of the study and it was secured from the University of Mindanao Ethics Review Committee. Reproduction of questionnaires was performed. Request letters signed by the adviser were distributed to the different large retail enterprises of the identified places in Region XII on July 1-15, 2019. Upon approval letter to the respondents and survey questionnaires were distributed to the respondents. Then a time table was set for the duration and retrieval of the questionnaires within the period of July 16-31, 2019. After the survey questionnaires were collected, data collection and tabulation were carried out on August 1-15, 2019. Finally, evaluating and interpreting the information in which the findings are evaluated and interpreted on the basis of the purpose of the study on 16-31 August 2019.

#### 7.6 STATISTICAL TOOLS

To analyze the data, the researcher used the following statistical tools.

**Mean.** This was used to measure the level of transformational leadership, motivation and human resource management practices of work engagement among employees of a large retail enterprises.

**Pearson Product Moment Correlation (Pearson R).** This was applied to determine the interrelationships between transformational leadership, motivation and human resource management practices of work engagement among employees of large retail enterprises.

**Structural Equation Modeling.** This was employed to assess the interrelationships among hypothesized models and also with the determination of the best-fit model on work engagement.

In evaluating the goodness of fit of the models, the following indices were computed and should meet the criteria: CMIN/DF should be 0<<2 with a p-value >0.05, Tucker-Lewis should be >0.9, Comparative Fit Index (CFI) should be >0.9, Goodness of Fit Index (GFI) should be >0.9, Normative Fit Index (NFI) should be >0.9 and root Mean Square Error of Approximation (RMSEA) should be <0.05 and P of close Fit (PCLOSE) should be >0.50.

**Ethical Consideration**

Ethics was observed in the conduct of the study. Before the distribution of the survey questionnaire, the researcher subjected the Chapters 1 and 2 for review to the University of Mindanao Ethics Review Committee to ensure that ethics was observed in the conduct of the study. In data gathering, an informed consent form was attached to the survey questionnaire wherein respondents were required to affix their signature so as to ensure that they were they participated in the research willingly and they were not coerced. Moreover, the identity of the respondents and businesses were not divulged in the study.

Major ethical considerations/issues that were looked into and ensured by the University of Mindanao Ethics Review Committee were the following: the willingness of the participants to take part in the investigation after the complete knowledge of the study purpose; privacy and confidentiality of the respondent’s information; the potential benefits that would elicit favorable results to participants once knowledge about their condition/problems would be shared. Other ethical issues were also raised such as plagiarism, fabrication, falsification, conflict of interest and deceit.

**Voluntary Participation**

The participants exercised free will to decide whether to participate in the research activity and to protect of his/her right. The right to protection by the law and code of conduct of scientific communities Harrisson (2015). They could answer or refuse to answer the survey questionnaire given to them. Participants were free to refuse no negative involvement at any time impacting on their involvement and relationship to the researchers and researches.

**Privacy Confidentiality**

The study relies on participants in the research to provide information on a variety of subjects about individual
beliefs and actions. If their identity was not revealed, a person was more likely to provide honest responses.

Informed Consent Process
The participants voluntarily participated in the research. It required open and honest communication between the researcher and the participants. The informed consent report were written in language that was easily understood by the respondents, the possibility of bullying or undue influence was reduced, and the subjects were given adequate time to consider participation.

Risk
This work aimed to support risk analysis and policy making by providing a framework for embracing and anticipating public responses to hazards and enhancing risk knowledge communication among lay people, technical experts, and decision-makers. This research suggested that those who encouraged and controlled health and safety need to understand how people think and respond to danger.

Biosafety and Benefits
The research explored the possibility that the overall attitude of a person would regulate the impact of awareness on their perception of risks and benefits. Thus demonstrate the potentials for discussions to operate as amplifiers or attenuator of perceptions of both the risks and benefits.

Plagiarism / Fabrication
This introduced someone else work or ideas as your own, with or without their consent, by integrating them, even if committed unintentionally, to work with acknowledgement. In addition, it is the duty to seek permission and to interpret the use of the content appropriately. For instance, there should be a proper acknowledgement and proper citation applied whether written by another author or by itself. In fabrication, there is the construction and/or addition of data, analysis, or description that never occurred in data collection or study running. For example, manufacturing may occur when the remainder of the experiment is "filled out." Performance claims were based on full data sets where claims made on the basis of incomplete or suspected performance are a type of manufacturing.

Falsification and Conflict of Interest (COI)
The study noted that the manipulation of research instrumentation, materials, or processes can require falsification. It may also be called falsification to alter objects or representations in a way that distorts the information or "reads too much between the rows." The analysis follows policies and regulations, state laws, and university policies accept that authors have no financial interests in research sponsors and/or institutions closely related to their work with business interests.

Deceit
The researcher processed not to mislead a participant into questioning the study's actual purpose. Let's say the research on how emotions affect decision-making, for example, but the participants never realized that the research was actually studying their emotions for them to respond authentically.

Permission from Organization/Location
Analysis also depends on access to either individuals or information. Therefore, the realization for the need of the 'gatekeeper' agreement on the information on the access to people who speak to before getting the point of asking for permission from potential study participants. In practice, this means that the need to seek permission or approval from various organizations or bodies before working the research.

Authorship
The analysis identified several technical, ethical and operational issues related to the assignment of authorship, describe how a primary care department at the university set out to recognize and respond to the concerns of its authorship contract research staff, and describe a set of guidelines that have been established to resolve the ethical and professional issues raised.

8. RESULTS
Presented in this chapter are the deconstruction of the findings based on the responses of the respondents on the work engagement among employees of the large retail enterprises in Region XII. The discussions are sequenced according to the following sub-headings: level of transformational leadership, motivation, human resource management practices and work engagement, the relationship between transformational leadership and work engagement, motivation and work engagement, human resource management and practices and work engagement. And lastly, the best fit model that predicts work engagement. It can be gathered from table 1-4 that standard deviation is below 1.00 which is the typical standard deviation of a 5 point likert scale. This shows the consistency of responses.

8.1 TRANSFORMATIONAL LEADERSHIP
The level of transformational leadership among managers of the large retail enterprises. The overall mean score is 4.24 with standard deviation of 0.47, as described by very high which mean that the transformational leadership is always observed by the respondents. In particular, the mean rating of the indicators of transformational leadership revealed as follows; inspirational motivation consist of a mean rating of 4.28 or very high, intellectual stimulation acquired a mean rating of 4.25 or very high, idealized influence landed a mean rating of 4.22 or very high and individualized consideration rounded up the mean rating of 4.19 or high.

8.2 MOTIVATION
The level of motivation of managers in large retail enterprises in Region XII. The overall mean rating is 4.12 with a standard deviation of 0.536, as described as high
which means that the motivation is oftentimes observed by the respondents. Specifically, the mean score of the indicators of motivation are carried as follows: achievement and recognition earned a mean rating of 4.15 or high, performance feedback garnered a mean rating of 4.12 or high, and reward has a mean rating of 4.09 or high.

8.3 HUMAN RESOURCE MANAGEMENT PRACTICES

The level of human resource management practices of employees in large retail enterprises in Region XII. The overall mean score is 4.14 with standard deviation of 0.533, described as high which means that the human resource management practices is oftentimes observed by the respondents. The mean rating of indicators of human resource management practices are enumerated as follows: training program obtained a mean rating of 4.18 or high, performance appraisal acquired a mean rating of 4.15 or high, planning and recruitment garnered a mean rating of 4.13 or high, and compensation earned a mean rating of 4.11 or high.

8.4 WORK ENGAGEMENT

The level of work engagement of employees in large retail enterprises in Region XII. The overall mean score obtained on the work engagement is 4.28 with a standard deviation of 0.50, describes as very high. This means that the work engagement is always observed. Specifically, the mean rating of indicators of work engagement are disclosed as follows; dedication earned a mean rating of 4.33 or very high, vigor attained a mean rating of 4.25 or high and absorption garnered a mean rating also of 4.25 or high.

8.5 BEST FIT MODEL THAT PREDICTS EMPLOYEES WORK ENGAGEMENT

In terms of the question related to the model that best represents the variables that predicts work engagement, the original proposed model defined in Figure 1 some refinement in order to fit the data. There were four created models presented in the study. The summary of findings of the goodness of fit measures of these four generated models.

<table>
<thead>
<tr>
<th>Model</th>
<th>CMIM/DF</th>
<th>p-</th>
<th>NFI</th>
<th>TLI</th>
<th>CFI</th>
<th>GFI</th>
<th>RMSEA</th>
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<td>1</td>
<td>3.400</td>
<td>0.000</td>
<td>0.944</td>
<td>0.949</td>
<td>0.959</td>
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<td>3.563</td>
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<td>0.960</td>
<td>0.976</td>
<td>0.961</td>
<td>0.079</td>
<td>0.005</td>
</tr>
<tr>
<td>4</td>
<td>1.340</td>
<td>0.210</td>
<td>0.993</td>
<td>0.996</td>
<td>0.998</td>
<td>0.992</td>
<td>0.028</td>
<td>0.801</td>
</tr>
</tbody>
</table>

Legend:

- **CMIN/DF**: Chi-Square/Degrees of Freedom
- **NFI**: Normed Fit Index
- **TLI**: Tucker-Lewis Index
- **CFI**: Comparative Fit Index
- **GFI**: Goodness of Fit Index
- **RMSEA**: Root Means Square of Error Approximation
- **P close**: P of Close Fit
- **P value**: Probability Value

All included indices are consistently within the acceptable range in determining the best fit model. Chi-square/degree of freedom value with corresponding p –value greater than 0.05 should be less than 5. Root mean square error approximation value must be less than 0.95 and its corresponding P close value must be greater than 0.05. The other indices such as normed fit index, Tucker Lewis index, comparative fit index and the goodness of fit index must all be greater than 0.95. The first created structural model displays the interrelationship of the exogenous variables: transformational leadership, motivation and human resource management practices and its causal relationship on the endogenous variable which was the work engagement. All indices did not
reach the acceptable range, hence, a poor fit. The second created structural model presents the interrelationship of the exogenous variables: transformational leadership, motivation and human resource management practices and its causal relationship on the endogenous variable which was work engagement. The model was still found not fitting even if NFI, TLI and CFI passed the criterion. For the model to declared as best fit, it has to pass all other criterion. The third created structural model present the interrelationship of the exogenous variables: transformational leadership, motivation and human resource management practices and its causal relationship on the endogenous variable which was work engagement. The model was still found not fitting even if NFI, TLI ,CFI and GFI passed the criterion. For the model to be declared as best fit, it has to pass all other criteria. Finally, the fourth created structural model presents the interrelationship of the exogenous variables: transformational leadership, motivation and human resource management practices and its causal relationship on the endogenous variable which was work engagement. Model 4 was found to have indices persistently indicate a very good fit to the data as all the indices presented fall within its criterion. Thus, there was no need to find another model for testing because it was already found to be the best fit among all the tested model. Therefore, the null hypothesis of the best fit model was rejected. It could be stated that there is a best fit model that predicts the work engagement of employees in a large retail enterprises in Region XII. The model clearly specified that the importance of transformational leadership, motivation and human resource management practices as the predictors of work engagement. However, that the model showed out of the four indicators of transformational leadership only two remains as significant predictor of work engagement to wit: inspirational motivation and idealized influence. For motivation only two out of the three indicators resulted on work engagement namely, reward and performance feedback. For human resource management practices only two out of the four indicators; these are planning and recruitment and compensation. On the part of work engagement only one out of the three indicators remained to measure this only vigor. Thus, the findings suggest that the work engagement of the employees of large retail enterprises was best anchored on transformational leadership which was measured on inspirational motivation and idealized influence, motivation which was measured on reward and performance feedback and human resource management practices which was measured on planning and recruitment and compensation.

![Diagram](image)

Figure 3. The Interrelationships between the Latent Exogenous Variables – Transformational Leadership, Motivation and Human Resource Management Practices and their Direct Causal Relation to the Endogenous Variable work engagement

<table>
<thead>
<tr>
<th>Legend</th>
<th></th>
<th>Legend</th>
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</thead>
<tbody>
<tr>
<td>TL</td>
<td>- Transformational Leadership</td>
<td>MOT</td>
<td>- Motivation</td>
</tr>
<tr>
<td>IM</td>
<td>– Inspirational Motivation</td>
<td>REWARDS</td>
<td>- Rewards</td>
</tr>
<tr>
<td>IC</td>
<td>– Individualized Consideration</td>
<td>AAR</td>
<td>- Achievement and Recognition</td>
</tr>
<tr>
<td>II</td>
<td>– Idealized Influence</td>
<td>PF</td>
<td>- Performance Feedback</td>
</tr>
<tr>
<td>IS</td>
<td>– Intellectual Stimulation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HMP</td>
<td>- Human Resource Management Practices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PAR</td>
<td>- Planning and Recruitment</td>
<td>VIGOR</td>
<td>- Vigor</td>
</tr>
<tr>
<td>TP</td>
<td>- Training Program</td>
<td>DEDI</td>
<td>- Dedication</td>
</tr>
</tbody>
</table>
9. DISCUSSION

Presented in this chapter are the discussions of the level of transformational leadership, motivation, human resource management practices and work engagement. Also revealed in this section are the correlations between transformational leadership, motivation and human resource management practices on work engagement. Lastly, the best fit model that predicts the work engagement among employees of large retail enterprises in Region XII.

9.1 The Best Fit Model of Employees Work Engagement

Shown in Figure 3 in chapter 3 is the generated structured model 4. It depicts the network of interrelationship of exogenous variables toward endogenous variable. The exogenous variable are transformational leadership (TL) which is measured by inspirational motivation (IM) and idealized influence (II), motivation (M) which is measured by rewards (REWARDS) and performance feedback (PF) and human resource management practices (HRMP) which is measured by planning and recruitment (PAR) and compensation (COMP). The endogenous variable uses work engagement (WE) which is measured by vigor (VIGOR). From the model it could be seen that only inspirational motivation and idealized influence remained as a measurement construct of transformational leadership. This ensures that leaders can enhance collaboration and improve commitment by communicating the organization's vision, purpose, and goals. By displaying energy and enthusiasm among workers, inspiring encouragement will build a higher level of determination as a return (Popa, 2012). Also with idealized influence Ojokuku, Odetayo and Sajuyigbe (2012)[156] have stressed with idealized power that this type of leader has the ability to influence workers over ideals or what is required of them, for example, to exemplify the highest degree of morality. Rewards and feedback on results are remaining motivating factors. Reward is considered by workers to be one of the most effective motivational technique that an employer can use (Phillips & Gully, 2012). In most situations, externally motivated workers perform the tasks due to some incentive such as promotion or avoid unwanted consequences (Mohsan, 2004). In addition, performance feedback includes previous behavior information that helps employees improve their current performance (Palmer, Johnson & Johnson, 2015)[157]. Planning and recruitment and compensation are variables left that belong to human resource management practices. Al Salem (2015)[8] suggested a strategic plan that includes the human resource manager's managerial and operational activity; and also shows attracting, recruiting, training and maintaining the organization's human resources. Since this is considered a strategic plan, there is a need a reliable, truthful and appropriate to reach the decision on the success of the organization (Joudeh, 2010)[116]. Only vigor has been shown as an observable predictor of work engagement. Engaged workers tend to have a high sense of energy and productive relation with their work activities and are considered to meet the demands of the work on time (Bakker et al., 2003).

10. CONCLUSION

The following conclusions are taken in the light of research results. This study’s results explicitly verify the best predictors of the employees work engagement. First, the findings revealed that in terms of employees work engagement, of the three exogenous variables, transformational leadership got the highest total mean. Therefore, transformational leadership has an influence to employees work engagement. And among all observed variables, vigor obtained the highest level mean score which is a direct variable of work engagement. Work engagement is manifested in the employee's determination to work and intention to continue working in the organization (Park, 2012). The result on the test of null hypotheses stating that there is no significant relationship and influence between transformational leadership, motivation and human resource management practices to work engagement were all rejected. Thus, all those exogenous variables have significant relationship and influence on the endogenous variables. Therefore, the results of the study validates the proposition of (Charkhabi et al., 2014) [54] that there is a link between transformational leadership and that there is a direct relationship between the transformational leadership and work engagement. The study of (Riketta 2008)[171] shows that there is also a connection between motivation and work engagement, (Noe, 2011)[155]. There is also an association between human resource management practices and work engagement. Further, the null hypothesis stating that there is no model that best fits among the employees work engagement of large retail enterprises in Region XII was rejected.

11. RECOMMENDATIONS

From the conclusion drawn from the results of the study, the following recommendations are made for various interested parties: large enterprises specifically to the managers and supervisors; different management associations; different employees association; government agencies particularly the Department of Labor and Employment; and other researchers. To the managers, supervisors, and even owners can develop strategies to strengthen inspirational motivation, idealized influence,
reward and performance, feedback mechanisms, planning and recruitment, and compensation. For example, managers and supervisors can participate into different trainings on transformational leadership; they can revisit their motivational strategies and assess its impact on the employees; they can also improve their human resource management practices like recruitment and selection process and most importantly the compensation package. To the different management associations they can collaborate with the owners, managers, supervisors and employees to address concerns particularly in maximizing work engagements of the employees. To the different employees association, they can inform and encourage participation among employees to have an exchange of concerns to the management. To the Department of Labor and Employment, they can extend assistance particularly in the recruitment and selection process of the employees and securing appropriate compensation as mandated by the law. To other researchers, they can explore other variables that can predict work engagement for large enterprises; they can explore the study to other form of enterprises; and they can explore the study to other geographic location.

12. REFERENCES


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